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Beach businessman receives a 3-year sentence for fraud

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NORFOLK — William W. Pearce, 42, a Virginia Beach businessman who said he did business with international spies and was wiretapped by the CIA and Interpol, was sentenced to three years in prison Wednesday for bilking his former employer of more than \$50,000 during 1981 and 1982.

U.S. District Court Judge John A. MacKenzie ordered Pearce, the former regional manager of Honeywell Protective Service Inc. in Norfolk, to report to the Petersburg federal prison farm Sept. 17 at noon.

"It appears to be a classic case of your having been put in a position where the money could be easily obtained," MacKenzie told the father of four, who has gone bankrupt since his June conviction on five counts of fraud.

A former resident of the Lago Mar section of Virginia Beach, Pearce was convicted by a federal jury in June for repeatedly billing his company for installation work that was not done and taking more than \$13,000 in housing assistance that was not due.

Phillip J. Krajewski, the prosecutor, asked MacKenzie for a 10-year sentence and said Pearce first breached his fiduciary role at Honeywell and then attempted a coverup that "charged all sorts of conspiracy" to keep him from going to jail for theft.

Pearce, who was a Washington, D.C., private investigator and wrote a book before he moved to

Tidewater in 1981, wove a convoluted cloak-and-dagger defense over the winter and spring to avoid local indictment and trial.

He told reporters and the syndicated columnist Jack Anderson in January that he was a former business confidant of Edwin Wilson, a former CIA agent convicted of selling arms to Libya.

He said he often traveled to Libya, and told Anderson he had seen U.S. Sen. Strom Thurmond, R-S.C., arrange a bribe to assist in the delivery of C-130 aircraft to the Libyans. He told Anderson he was willing to testify before a grand jury.

In February, shortly before his indictment by a local grand jury, Pearce filed suit in Washington and charged that Honeywell, Thurmond, U.S. District Court Judge J. Calvitt Clarke Jr. of Norfolk and the FBI were conspiring to bring him to trial and to discredit whatever testimony he had to offer against Thurmond.

After his Norfolk indictment, he demanded that the government produce any wiretap information against him that may have been taken by the CIA, the Israeli intelligence community or Interpol.

In June, however, at the conclusion of Honeywell's civil suit for restitution, Pearce agreed to repay Honeywell \$108,000, dropped his suit against Clarke and Thurmond, and conceded that none of his charges had merit.

"I regret any and all things I might have done wrong," Pearce told MacKenzie in his unsuccessful plea for mercy and probation.